

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO
RICO, *et al.*,

Debtors.¹

PROMESA

Title III

Case No. 17-03283 (LTS)

(Jointly Administered)

**INFORMATIVE MOTION OF AMBAC ASSURANCE CORPORATION REGARDING
THE PRETRIAL CONFERENCE AND CONFIRMATION HEARING**

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's Federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Ambac Assurance Corporation (“Ambac”) hereby submits this Pretrial Informative Motion² in compliance with the *Order Regarding Procedures for Hearing on Confirmation of Plan of Adjustment* (ECF No. 18502) (the “Hearing Procedures Order”) and respectfully states as follows:

1. Dennis F. Dunne (ddunne@milbank.com), Atara Miller (amiller@milbank.com), and Grant R. Mainland (gmainland@milbank.com) of Milbank LLP will speak on behalf of Ambac at the Pretrial Conference and/or the Confirmation Hearing.

2. Ambac wishes to present opening argument in support of confirmation of the Plan of Adjustment.

3. In conjunction therewith, Ambac also intends to specifically address the “GDB Loan Priority Determination” (as defined in the Plan of Adjustment), to the extent that issue is not already resolved by a decision of this Court on the Monolines’ pending motion to dismiss the claims brought by the DRA Parties in the DRA Adversary Proceeding (the “Motion to Dismiss”).³ Ambac respectfully submits that there are no material factual issues in dispute relating to that issue, and it does not intend to call any witnesses relating to that issue (or any other issue). As discussed in the Motion to Dismiss and the *Monolines’ Reply to the Objection of the DRA Parties to the Seventh Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.* (“Monolines’ Reply”) to be filed later today, the governing documents at issue unambiguously establish, as a matter of law, that the DRA Parties’ claims and liens are

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Hearing Procedures Order. “ECF No.” refers to documents filed in Case No. 17-BK-3283-LTS, unless otherwise noted.

³ The “DRA Adversary Proceeding” is the adversary proceeding commenced by the DRA Parties against the Monolines and certain other parties, captioned *AmeriNational Community Services, LLC, et al. v. Ambac Assurance Corporation, et al.*, Adv. Proc. No. 21-00068-LTS (D.P.R.).

subordinated to the HTA bonds. And the other evidence submitted for the record at the plan confirmation hearing supports that same conclusion, as discussed in the Monolines' Reply.

4. Nonetheless, should the need arise, Ambac respectfully reserves the right to cross-examine any witness on any material factual issue during the Confirmation Hearing.

5. Ambac also wishes to present argument in opposition to the objections and relief sought in the *Joint Objection of the Underwriter Defendants to the Plan and Proposed Confirmation Order* (ECF No. 18587), and in support of *Ambac Assurance Corporation's Reply to Underwriter Defendants' Objection to Plan and Proposed Confirmation Order*, to be filed later today.

6. In compliance with the Hearing Procedures Order, annexed hereto as **Exhibit A** is Ambac's Party Appearance Sheet, as **Exhibit B** is Ambac's Witness Cover Sheet, and as **Exhibit C** is Ambac's Exhibit Cover Sheet.

7. Additionally, Ambac has submitted each of the 58 exhibits identified in Exhibit C as an attachment to the Monolines' Amended Exhibit List (*see* ECF Nos. 18813-18817) pursuant to the *Order Regarding Confirmation Hearing Exhibit Procedures* (ECF No. 18749). As a point of clarification, the Monolines' Amended Exhibit List varies slightly and nominally from the Exhibit List submitted on October 22, 2021 (ECF No. 18628-1) in that the Amended Exhibit List replaces versions of exhibits from the Monolines' original Exhibit List that did not have Bates stamps with versions that have Bates stamps from prior productions in these Title III proceedings. These changes were made purely to resolve any authentication concerns in an effort to streamline the plan confirmation proceedings. Ambac advised the Government Parties and the DRA Parties of this non-substantive modification, and no party objected to such modification. To avoid duplicative filings, the Pretrial Informative Motions filed today by Assured Guaranty Corp.,

Assured Guaranty Municipal Corp., Financial Guaranty Insurance Company, and National Public Finance Guarantee Corporation in accordance with the Hearing Procedures Order will refer to this same Amended Exhibit List and the corresponding document filings attached thereto.

8. Ambac's representatives reserve the right to be heard on any matter raised by any party at the Pretrial Conference and/or the Confirmation Hearing as concerns Ambac related to the Title III cases, or any adversary proceeding pending in the Title III cases, or the interests of Ambac.

9. Additionally, Ambac's representatives reserve the right to be heard in connection with the *Application of the Puerto Rico Infrastructure Financing Authority, by and through the Financial Oversight and Management Board for Puerto Rico, as Administrative Supervisor, for Approval of Qualifying Modification for PRIFA Pursuant to Section 601(m)(1)(D) of the Puerto Rico Oversight, Management, and Economic Stability Act*, Case No. 3:21-cv-01492 (D.P.R.) (ECF No. 1) and the *Application of the Puerto Rico Convention Center District Authority, by and through the Financial Oversight and Management Board for Puerto Rico, as Administrative Supervisor, for Approval of Qualifying Modification for CCDA Pursuant to Section 601(m)(1)(D) of the Puerto Rico Oversight, Management, and Economic Stability Act*, Case No. 3:21-cv-01493 (D.P.R.) (ECF No. 1).

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Dated: October 27, 2021
San Juan, Puerto Rico

FERRAIUOLI LLC

By: /s/ Roberto Cámara-Fuertes
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Attorneys for Ambac Assurance Corporation

CERTIFICATE OF SERVICE

I hereby certify that on this same date a true and exact copy of this notice was filed with the Clerk of Court using the CM/ECF system, which will notify a copy to counsel of record.

/s/ Roberto Cámara-Fuertes

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EXHIBIT A

Party Appearance Sheet

Name of Party	Ambac Assurance Corporation
Party Name Abbreviation (For Use with Zoom)	Ambac
<p>Confirmation Hearing Participant</p> <p>Attorney(s) Representing Party (provide the listed information for each attorney who may appear for the Party):</p> <ul style="list-style-type: none"> • Name, • Email, • Law Firm, • Phone Number • Docket Entry No. for the Attorney's Notice of Appearance • Zoom Screen Name (<u>See</u> Confirmation Hearing Procedures Order, ¶ 9(a)) • Is the attorney participating in the Final Pretrial Conference or the Confirmation Hearing or both? 	<p>Dennis F. Dunne ddunne@milbank.com Milbank LLP (212) 530-5770 Notice of Appearance: ECF No. 54 Zoom Screen Name: Ambac / Dunne, Dennis / Milbank LLP Will attend both the Final Pretrial Conference and the Confirmation Hearing</p> <p>Atara Miller amiller@milbank.com Milbank LLP (212) 530-5421 Notice of Appearance: ECF No. 76 Zoom Screen Name: Ambac / Miller, Atara / Milbank LLP Will attend both the Final Pretrial Conference and the Confirmation Hearing</p> <p>Grant R. Mainland gmainland@milbank.com Milbank LLP (212) 530-5251 Notice of Appearance: ECF No. 53 Zoom Screen Name: Ambac / Mainland, Grant / Milbank LLP Will attend both the Final Pretrial Conference and the Confirmation Hearing</p>
Plan Objection Docket Entry No.	N/A
Witness List Docket Entry No.	N/A
Exhibit List Docket Entry No.	ECF No. 18682-1 (original) ECF No. 18813 (amended)
Other Statement Docket Entry No.	ECF No. 18601 (Statement in Support) Monolines' Reply to DRA Parties' Confirmation Objections to be filed later today

Exhibit B

Party Witness Cover Sheet

Name of Party			Ambac Assurance Corporation
Does the Party intend to offer a witness?			Ambac does not currently intend to present any live witness testimony at the Confirmation Hearing but respectfully reserves the right to cross-examine any witness should the need arise during the Confirmation Hearing.
Total Number of Witnesses			N/A
Witness Name	Expert or Fact Witness	Is interpreter required? (Proponent of witness must provide certified interpreter)*	Scope of Testimony

Exhibit C

Party Exhibit Cover Sheet

Name of Party		Ambac Assurance Corporation
Does the Party intend to offer evidence?		Yes
Total Number of Exhibits Offered by the Party		Ambac, together with Assured Guaranty Corp., Assured Guaranty Municipal Corp., National Public Finance Guarantee Corporation, and Financial Guaranty Insurance Company (collectively, the “Monolines”) offers 58 exhibits . These exhibits are listed below.
Exhibit Identifier ⁴	Docket Entry No.	Description of Exhibit
Monolines Ex. 1	18813-1	Resolution No. 68-18, Adopted June 13, 1968, Authorizing and Securing Highway Revenue Bonds
Monolines Ex. 2	18813-2	Resolution No. 98-06, Adopted February 26, 1998, Authorizing and Securing Transportation Revenue Bonds
Monolines Ex. 3	18813-3	HTA ⁵ Resolution No. 83-01
Monolines Ex. 4	18813-4	HTA Resolution No. 98-08
Monolines Ex. 5	18813-5	Resolution 2002-04 excerpted from closing binder for HTA Series D, Series E, Series F Bonds (Feb. 7, 2002)
Monolines Ex. 6	18813-6	Closing binder containing documents from the 2002 HTA bond issuance of Series D, Series E, Series F Bonds (Feb. 7, 2002)
Monolines Ex. 7	18813-7	Security Agreement by and between HTA and Owners of Transportation Revenue Bonds, dated February 7, 2002 and UCC-1 filed by HTA
Monolines Ex. 8	18813-8	HTA Resolution 2003-23, Authorizing 2003 Revenue Refunding Bonds Series AA
Monolines Ex. 9	18813-9	HTA Resolutions, including Resolution 2003-30 at HTA_STAY0004474-75
Monolines Ex. 10	18813-10	Official Statement for HTA Series AA Bonds Issued Pursuant to 1968 Resolution, dated April 10, 2003

⁴ Each Exhibit should be named in sequential party-identified numbering (e.g., “FOMB Ex. 1” or “UCC Ex. A”).

⁵ “HTA” or “PRHTA” means the Puerto Rico Highways and Transportation Authority.

Monolines Ex. 11	18814-1	Official Statement, HTA 1977 Series L Highway Revenue Bonds
Monolines Ex. 12	18814-2	Official Statement, Series Y&Z Highway Bonds
Monolines Ex. 13	18814-3	2010 Reoffering Circular re: Series AA and Series H Bonds
Monolines Ex. 14	18814-4	GDB ⁶ Resolution EC-2010-18
Monolines Ex. 15	18814-5	GDB Resolution 9179-A
Monolines Ex. 16	18814-6	GDB Resolution EC-1697
Monolines Ex. 17	18814-7	HTA Resolution No. 2008-31
Monolines Ex. 18	18814-8	GDB Resolution 8804
Monolines Ex. 19	18814-9	GDB Resolution 9195
Monolines Ex. 20	18814-10	GDB Resolution 9296
Monolines Ex. 21	18814-11	HTA Resolution Num. 2010-15
Monolines Ex. 22	18814-12	HTA Resolution No. 2010-19
Monolines Ex. 23	18814-13	HTA Resolution 2009-01
Monolines Ex. 24	18814-14	GDB Resolution 9024
Monolines Ex. 25	18814-15	GDB Resolution EC-2009-05
Monolines Ex. 26	18814-16	HTA Resolution 2009-24
Monolines Ex. 27	18814-17	HTA Resolution 2008-13
Monolines Ex. 28	18814-18	Letter from GDB to HTA dated 11/10/09
Monolines Ex. 29	18814-19	Letter from GDB to HTA dated 8/1/2018
Monolines Ex. 30	18814-20	Letter from GDB to HTA dated 6/24/10
Monolines Ex. 31	18814-21	Letter from GDB to HTA dated 10/6/09
Monolines Ex. 32	18814-22	Letter from GDB to HTA dated 1/26/09
Monolines Ex. 33	18814-23	Spreadsheet Tracking HTA Revenues 2017-2020
Monolines Ex. 34	18814-24	AAFAF FY16-FY21 HTA Flow of Funds Summary
Monolines Ex. 35	18814-25	March 19, 2008 Loan Agreement and Amendments

⁶ “GDB” means the Government Development Bank for Puerto Rico.

Monolines Ex. 36	18814-26	August 6, 2008 Loan Agreement and Amendments
Monolines Ex. 37	18814-27	October 30, 2009 Loan Agreement and Amendments
Monolines Ex. 38	18814-28	October 30, 2009 Loan Agreement II and Amendments
Monolines Ex. 39	18814-29	October 30, 2009 Amended and Restated Loan Agreement and Amendments
Monolines Ex. 40	18814-30	November 9, 2009 Loan Agreement and Amendments
Monolines Ex. 41	18814-31	June 30, 2010 Loan Agreement and Amendments
Monolines Ex. 42	18814-32	July 13, 2010 Loan Agreement and Amendments
Monolines Ex. 43	18815-1	August 27, 2010 Loan Agreement and Amendments
Monolines Ex. 44	18815-2	August 27, 2010 Loan Agreement II
Monolines Ex. 45	18815-3	August 28, 2013 Loan Agreement and Amendments
Monolines Ex. 46	18815-4	October 27, 2011 Spanish Language Loan Agreement and Amendments
Monolines Ex. 47	18815-5	November 29, 2011 Spanish Language Loan Agreement and Amendments
Monolines Ex. 48	18815-6	September 12, 2012 Spanish Language Loan Agreement and Amendments
Monolines Ex. 49	18815-7	February 28, 2013 Spanish Language Loan Agreement and Amendments
Monolines Ex. 50	18815-8	January 16, 2014 Spanish Language Loan Agreement and Amendments
Monolines Ex. 51	18815-9	GDB-HTA Promissory Notes
Monolines Ex. 52	18815-10	GDB Assignment and Security Agreement and Amendments
Monolines Ex. 53	18815-11	UCC-1 Financing Statement filed by HTA, August 2013 and Financing Statement Amendment
Monolines Ex. 54	18815-12	UCC Financing Statements filed by Puerto Rico Highway and Transportation Authority
Monolines Ex. 55	18816-1 (Part 1 of 2)	GDB Qualifying Modification Solicitation Statement, August 9, 2018

	18816-2 (Part 2 of 2)	
Monolines Ex. 56	18816-3 (Part 1 of 5) 18816-4 (Part 2 of 5) 18816-5 (Part 3 of 5) 18816-6 (Part 4 of 5) 18816-7 (Part 5 of 5)	HTA Audited Financial Statements – 2008-2019 (2010, 2014, 2015, 2019 HTA Audited Financial Statements are available on the EMMA online database)
Monolines Ex. 57	18817-1 (Part 1 of 7) 18817-2 (Part 2 of 7) 18817-3 (Part 3 of 7) 18817-4 (Part 4 of 7) 18817-5 (Part 5 of 7) 18817-6 (Part 6 of 7) 18817-7 (Part 7 of 7)	Commonwealth Financial Statements 1998-2018 (Commonwealth Financial Statements from 1998-2018 are available on the Departamento de Hacienda website)
Monolines Ex. 58	18817-8	Official Statement for HTA Series M and Series N Transportation Revenue Bonds issued pursuant to 1998 Resolution